

# **Exhibit “M”**

Specifically, a certain Memorandum of a Contract of Sale between Seller's predecessor in title to the Property, Benedict Pond of New Windsor, LLC (formerly Sarjon, LLC), and Sungold Holding, Inc. with respect to real property which included the Property was recorded in the Orange County Clerk's Office on April 23, 2003 in Liber 11026 at page 1725 (the "Memorandum"). Said Memorandum still appears of record in the Orange County Clerk's Office as of the TOE Time. The non-discharge of the

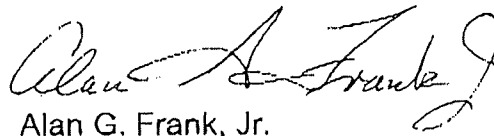
KG Cornwall, LLC  
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February 21, 2007

Memorandum in the records of the Orange County Clerk's Office as of the TOE Time of 11:00 a.m. on February 21, 2007 was confirmed to Buyer by a telephone message from James Wood of Hill-n-Dale Abstractors, Inc./Goshen Searchers, Inc. just prior to 11:00 a.m. on February 21, 2007.

Please note that Buyer first made Seller aware of the existence of the encumbrance embodied in the Memorandum and its implications in September, 2005. (See attached letter to Seller's attorney). Despite that letter – to which no response was ever forthcoming – and despite Seller's May, 2006 purchase of the Property from Benedict Pond of New Windsor, LLC (formerly Sarjon, LLC), the contract vendor under the Memorandum, Seller has failed as of the TOE Time to cause the contractual right of Sungold Holdings, Inc. in the Property to be discharged or terminated of record. The continuing existence of the encumbrance embodied in the Memorandum of record as of the TOE Time clearly places Seller in default of the Agreement as of the TOE Time and such circumstance entitles Buyer to lawfully terminate the Agreement and receive the return of its down payment. This letter constitutes such notice of termination. The Agreement is now null and void and of no further force and effect.

Notwithstanding that the down payment in the form of a \$150,000.00 Letter of Credit being held by your attorney, Burton I. Dorfman, Esquire, as Escrow Agent under the Agreement, has expired by its terms and is of no further force and/or effect, demand is nonetheless hereby made that you immediately authorize the Escrow Agent to return such Letter of Credit to Buyer at the address for Buyer provided in the Agreement.

Very truly yours,



Alan G. Frank, Jr.

AGF/cia

CC: Beazer Homes/Attn: Paul Schneier, Division President  
Beazer Homes/Attn: Richard S. Israel, Esquire, Division Counsel  
Burton I. Dorfman, Esquire (via Fax and Overnight Delivery)